

**IN THE UNITED STATES DISTRICT COURT  
FOR THE EASTERN DISTRICT OF PENNSYLVANIA**

<b>WELDING ENGINEERS LTD.</b> <i>Plaintiff, Counterclaim</i> <i>Defendant</i>	: : : : : : : : : :	<b>CIVIL ACTION</b>  <b>NO. 16-4850</b>
<b>v.</b>	:	
<b>NFM/WELDING ENGINEERS, INC.</b> <i>Defendant, Counterclaimant</i>	: :	

**ORDER**

**AND NOW**, this 26<sup>th</sup> day of January 2021, upon consideration of the evidence presented during the bench trial held November 20-22, 2019, the parties' Proposed Findings of Fact and Conclusions of Law, [ECF 149, 150], and the parties' trial briefs, [ECF 107, 144], it is hereby **ORDERED**, for the reasons set forth in the accompanying Memorandum Opinion, that:

1. **DECLARATORY JUDGMENT** is entered in favor of Welding Engineers Ltd. ("Welding") and against NFM/Welding Engineers, Inc. ("NFM") on Count Four of NFM's counterclaim for declaratory relief, as follows:

- i. NFM must pay royalties<sup>1</sup> to Welding for the sales of turbulators (and spare parts therefor), which include any device (and spare parts therefor) that integrates a cylindrical cutter, a cylindrical die (fixed or variable), a pelletizer, and a transport system of the comminuted particles either by air or another fluid, whenever NFM either (1) obtained said device or spare parts from Welding or (2) built a device or spare parts based on information<sup>2</sup> obtained from Welding;

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<sup>1</sup> In the amounts and for the time periods set forth in the Technology Transfer Agreement ("TTA").

<sup>2</sup> Information including, but not limited to, technical drawings.

- ii. Accordingly, NFM must continue to pay royalties to Welding for sales of turbulator spare parts sold to its customers Solvay, Arlanxeo,<sup>3</sup> Kraton, Dyneon, and Zeon;
- iii. All royalties previously paid by NFM under dispute pending the conclusion of this litigation have been rightfully paid to Welding;
- iv. In the future, if NFM develops and sells another turbulator (or spare parts therefor) to Exxon and its affiliates *based on the turbulator technology NFM received from Welding*, NFM must pay royalties to Welding for sales thereof; and
- v. NFM is not required to pay royalties to Welding for any turbulators (or spare parts therefor) that it makes or sells to Exxon and its affiliates *if those turbulators and/or spare parts are developed solely with the use of some other entity's turbulator technology*.

2. **DECLARATORY JUDGMENT** is entered, *in part*, in favor of NFM and against Welding on Count Six of NFM's counterclaim for declaratory judgment, as follows:

NFM is not restricted from selling Hot Isostatic Pressing ("HIP") Barrels in the Field of Use.<sup>4, 5</sup>

3. **DECLARATORY JUDGMENT** is entered, *in part*, in favor of Welding and against NFM on Count Six of NFM's counterclaim for declaratory relief, as follows:

- i. Welding may attempt to develop its own HIP Barrel technology, without utilizing any of NFM's HIP Barrel technology in doing so; and
- ii. NFM cannot prevent Welding from developing HIP Barrels, or selling and offering HIP Barrels to Welding's customers.

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<sup>3</sup> Arlanxeo is the company formerly known as Lanxess.

<sup>4</sup> The Field of Use is "the drying and removal of water from Butyl, Halobutyl and fluorinated rubber[.]" Joint Exhibit 24 at p. 2-3.

<sup>5</sup> As the parties agree, NFM is not restricted from selling HIP Barrels outside of the Field of Use.

The Clerk of Court is directed to mark this matter **CLOSED**.<sup>6</sup>

**BY THE COURT:**

*/s/ Nitza I. Quiñones Alejandro*

**NITZA I. QUIÑONES ALEJANDRO**

*Judge, United States District Court*

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<sup>6</sup> This Court resolved the remainder of both parties' claims by previous Orders granting summary judgment. [See ECF 83, 84].